

Utah and L.A. power tiff heats up

Los Angeles agency said to be blocking expansion at Delta coal-fired plant

By Steven Oberbeck

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A simmering dispute that has threatened to pit California's concerns about global warming against the growing demand for more electricity in Utah is erupting into a full-scale conflict.

The Utah Associated Municipal Power System (UAMPS), which represents 23 Utah cities that operate their own electric utilities, is squaring off against the Los Angeles Department of Water and Power over its refusal to allow a third generating unit to be built at the Intermountain Power Project in Utah.

In a lawsuit in Utah's 3rd District Court, the municipalities contend that Los Angeles Power initially approved development of another unit at the massive coal-fired facility near Delta but now is exerting its control over the plant's operator - the Intermountain Power Agency - to block its development.

"Los Angeles Power initially was involved in helping plan for the development of a third unit," said Matthew McNulty, an attorney with VanCott Bagley, Cornwall and McCarthy in Salt Lake City who is representing UAMPS. "Now that they don't want to be involved, we don't think they should have veto power over a Utah project."

UAMPS estimates it spent more than \$6.4 million pursuing the development of the third generating unit before L.A. Power figuratively pulled the plug.

Los Angeles and five other California cities take 75 percent of the electricity generated at the Intermountain

Power Project. As a result, their votes at the Intermountain Power Agency far outweigh those of the 23 Utah municipalities.

UAMPS' complaint may not be the only lawsuit that emerges from the dispute.

Rocky Mountain Power, which takes about 4 percent of the electricity generated at the Intermountain Power Project and favors the development of a third generating unit, in July notified Los Angeles Power and the Intermountain Power Agency that it might file a lawsuit if the project wasn't allowed to go forward.

At that time, the utility that provides most Utahns with the electricity to operate the appliances in their homes indicated that it considered it improper for those California cities - Los Angeles, Pasadena, Anaheim, Burbank, Glendale and Riverside - to block needed generating capacity in Utah to satisfy California environmental laws.

"We're continuing to weigh our options, and filing a lawsuit against the Los Angeles Department of Water and Power and IPA remains a viable possibility," said Rocky Mountain Power spokesman Jeff Hymas.

Los Angeles Power spokesman Joe Ramallo declined to comment on pending litigation. However, in July he noted that the Southern California department announced in 2003 that it wasn't going to buy any more electricity generated from coal.

"We're committed that 20 percent of the power we provide will come from renewable

resources by 2010 and 35 percent by 2025," Ramallo said at that time. "Right now, we're at 9 percent and climbing."

The Utah municipalities believe that California's Global Warming Solutions Act of 2006, which set up a statewide program to cap all greenhouse gas emissions from major industries in California, played a role in Los Angeles throwing up barriers against the development of a third unit at the Intermountain Power Project.

"Although neither Los Angeles Power nor IPA has ever cited the California Act formally or in writing as a roadblock to the development of Unit 3, the California Act has been a palpable, albeit inconsistent, undercurrent since late 2006," UAMPS' lawsuit states.

UAMPS' complaint is asking for damages from the Intermountain Power Agency and Los Angeles Power for lost profits and an order requiring Los Angeles Power to negotiate in good faith toward the completing a development agreement.

steve@sltrib.com